

Revised based on new information

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2015-16</b>		<b>FY 2016-17</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS	9,500,000		9,500,000	
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>9,500,000</b>		<b>9,500,000</b>	

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

This bill changes the payment for families qualifying for the Aid to Dependent Children Program from an amount not to exceed \$300 a month for a two-person family plus an additional \$75 per month for each additional family member to a payment based on a percent of the standard of need. The percentages are: 60% for FY 16 and FY 17; 65% for FY 18 and FY 19 and not less than 70% for FY 20 and thereafter. The operative date is July 1, 2015.

This bill increases the payment to ADC families, but does not change the qualifications of the program. The current payment is \$293 plus \$71 for each additional person. Using the FY 14 monthly average with the assumption of a 5% caseload increase to account for new eligible families and current families staying on assistance longer, the number of covered families is estimated to be 6,850. The increase to 60% of the standard of need would increase the average payment by \$100 a month. The annual increase in costs would be \$9,500,648 in FY 16 and FY 17. Temporary Assistance to Needy Families funding would cover the costs. The TANF balance as of September 30, 2014 was \$ 52,596,459 million. In the following years the costs would increase because of the higher percentage of the standard of need that would apply and because the standard of need is adjusted every other year.

The Department of Health and Human Services showed an impact on the Medicaid Program. The Department assumed that the income standard for those qualifying under the Medically Needy SSI-related coverage would increase because it was tied to the payment under the Aid to Dependent Children Program which is paid for with TANF. The Department’s fiscal note assumed the income standard would be 133 and 1/3 of the ADC payment.

The Centers for Medicare and Medicaid in Kansas City in response to an inquiry by the Legislative Fiscal Office on the relationship between the ADC payment and Medicaid MN income standard was provided the following information:

*The same medically needy income limits (dollar amounts by family size as specified on pages 8 and 9 of Supplement 1 to Attachment 2.6-A of NE’s state plan) are used for both the AFDC-related and SSI-related medically needy. NE’s approved state plan pages for the MNIL date from 11/1/1991, so they haven’t changed since then. TANF isn’t mentioned on those pages as the basis for the MNIL. The state’s increased TANF payment standard would only be relevant for the medically needy income limits if it was used as the state’s income limit for 1931 eligibility, since the MNIL is capped at 133 1/3 percent of the 1931 income limit. But the state doesn’t use its TANF payment standards for 1931 eligibility.*

Because of how Nebraska chose to establish the Medically Needy income limits in our approved state plan, there isn’t a link between the ADC payment and Medicaid. The only impact of this bill is income maintenance payment increase.